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NSC BRIEFING

9 March 1960

GUINEA

I. Guinea's recent diplomatic and economic actions have highlighted this state's drift into ever closer relations with the Sino-Soviet bloc.

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A. The apparent extension of formal diplomatic recognition to East Germany [REDACTED]

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[REDACTED] and probable similar action with North Vietnam reflects President Toure's willingness to do business with any state friendly to Guinea.

B. Withdrawal on 1 March from French franc zone and creation of own unbacked currency and national bank--reflecting continued mistrust of Paris--has scared western business interests and created serious local confusion.

1. New currency apparently printed in Soviet bloc--possibly Czechoslovakia.

C. Western interests also adversely affected by new three year economic plan.

1. Strongly socialist program allows only limited private enterprise with virtual state monopoly of foreign and internal trade and new industrial developments.

II. Communist bloc has greatly expanded its influence since it granted prompt diplomatic and economic recognition to Guinea in autumn 1958.

A. Six Soviet bloc nations (including East Germany) plus Peiping represented, or about to be, in Guinea

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B. Bloc economic and technical assistance to Guinea surpasses that to any other tropical African state.

1. Barter agreements with bloc account for about 60 percent of Guinea's trade. Increasing number of bloc goods on local market.
2. Soviet credit of \$35,000,000 in mid-1959 being implemented by showy technical assistance program including stadium, highways, airport work.
3. Czechs, East Germans and Poles active in constructions, communications, transportation and agricultural fields with about 100 advisors in country.
4. Growing cultural relations include exchange of visits by leaders and the presence of 100 Guinea students behind the Iron Curtain.

III. The outlook is for growing Communist influence in Guinea, with this state being used as an example to tropical Africa of the results of cooperation with the Bloc.

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